

RENTAL MARKET REPORT

Alberta Highlights

Canada Mortgage and Housing Corporation

Date Released: Spring 2007

Alberta's Apartment Vacancy Rate Lowest of all Provinces

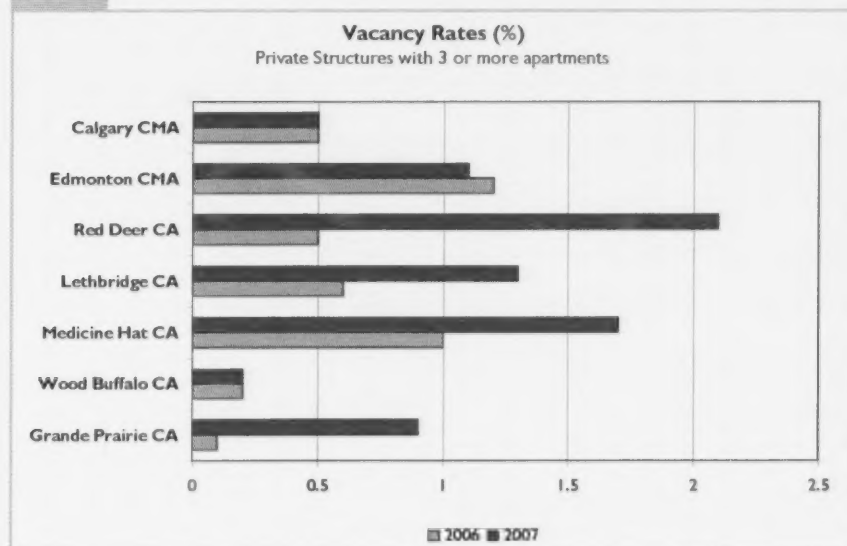
According to the results of Canada Mortgage and Housing Corporation's Spring Rental Market Survey, the vacancy rate in privately-initiated rental apartments in Alberta's urban centres stood at 0.9 per cent in April 2007. This represents the lowest vacancy rate of any province in

Canada. While April's vacancy rate was unchanged from our October 2006 survey, readers should be cautioned that a direct comparison between the two surveys should be avoided due to seasonal and other factors (see text box on page 2). The total average rent in Alberta was \$847 per month, slightly lower than Ontario at \$869 per month, which was the highest of all provinces in Canada.

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Figure 1

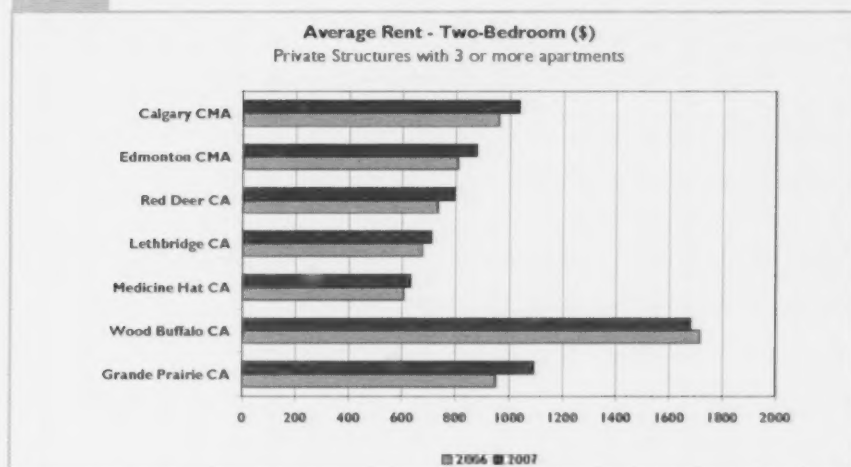


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Figure 2



Demand for rental accommodations continued to be fuelled by a hot economy and robust population growth. Alberta's economy expanded at a rapid 6.8 per cent in 2006, the strongest growth rate in nine years. At the same time, employment grew by more than 86,000 jobs, representing a new record for employment growth in Alberta. The employment opportunities generated in Alberta drew a record 86,000 net migrants to the province in 2006, and

another 73,000 net migrants are expected to arrive in Alberta this year. The large influx of people to Alberta combined with escalating home ownership costs has helped absorb most of the available apartment rental units.

The vacancy rate in Alberta's two largest centres remained low in April. Results of the survey show that the Calgary CMA had the lowest average vacancy rate of any CMA in Canada,

reaching only 0.5 per cent in April. This represents 203 vacant units out of a universe of nearly 40,000. Meanwhile, the Edmonton CMA's vacancy rate was only a bit higher than Calgary's, reaching 1.1 per cent. Among Alberta's 11 Census Agglomerations (CAs), five had vacancy rates lower than Calgary. Canmore, Okotoks, and Wetaskiwin had the lowest vacancy rates in the province, as each reported a vacancy rate of zero per cent.

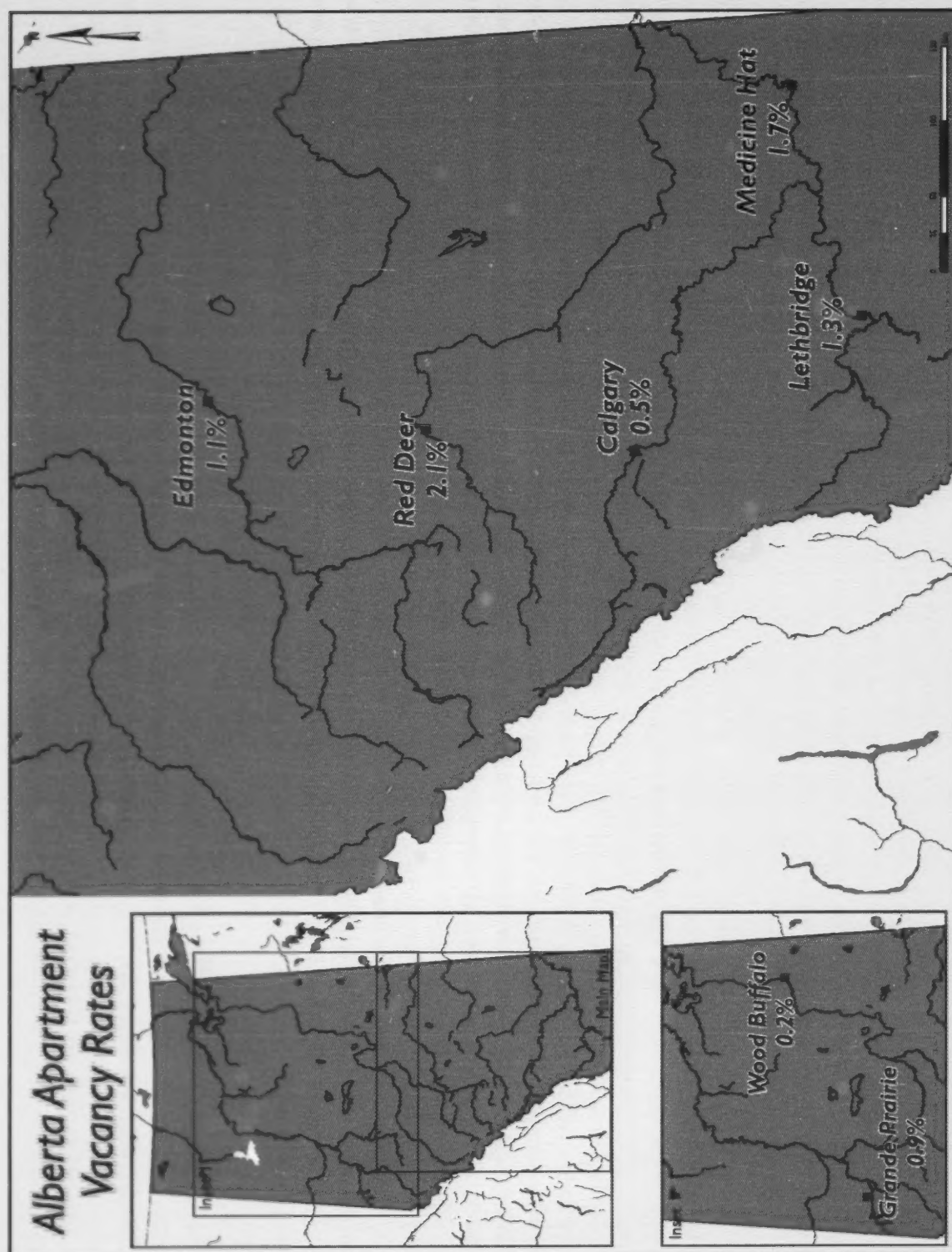
CMHC's Rental Market Survey also obtained data on the availability of rental units. A unit is considered available if the unit is vacant, or the existing tenant has given or received official notice to move out and a new tenant has not signed a lease. At 1.8 per cent, the availability rate in Calgary was 1.3 percentage points higher than the vacancy rate. In Edmonton, the gap between each rate was only 0.7 per cent.

The April 2007 rental survey found Alberta's average rent for a two-bedroom unit to be \$932 per month. The highest average rent for a two-bedroom apartment was in Wood Buffalo at \$1,681, followed by Grande Prairie with an average of \$1,094 per month. The lowest average two-bedroom apartment rents were found in Wetaskiwin at \$621 per month and Medicine Hat at \$630. Alberta's two largest cities, Calgary and Edmonton, reported average two-bedroom apartment rents of \$1,037 and \$877, respectively.

Caution

In our analysis, we have deliberately avoided making comparisons between the results of the April 2007 rental market survey and the October 2006 survey. A key reason for this is that changes in rents, vacancy rates, and availability rates between the spring and the fall may not be solely attributable to changes in rental market conditions; they could also reflect seasonal factors. For example, if more people tend to move in the spring than in the fall, it could have an impact on vacancy and availability rates as well as the level of rents. Alternatively, in centres where there are a significant number of university students, vacancy and availability rates could be higher in the spring if students move home for the summer.

To the extent that these types of seasonal variations exist, comparing results from the spring and fall Rental Market Surveys could lead to incorrect conclusions about trends in rental market conditions. To avoid this, we have limited our analysis to the results of our spring 2007 Rental Market Survey and comparing these results for different centres across Canada. In spring 2008, when we have results from our second spring Rental Market Survey, we will be able to extend our analysis to make year over year comparisons.



1.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type Alberta

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07
Calgary CMA	0.8 a	0.1 b	0.5 a	0.5 a	0.5 a	0.6 a	0.8 a	0.1 b	0.5 a	0.5 a
Edmonton CMA	1.4 a	3.6 b	1.2 a	1.2 a	1.1 a	0.6 a	1.2 a	0.3 a	1.2 a	1.1 a
Brooks CA	**	**	2.7 a	3.8 c	2.2 a	1.9 a	**	4.5 d	2.5 a	2.4 a
Camrose CA	0.0 a	**	1.8 a	1.9 a	0.5 a	0.2 a	0.0 a	9.1 a	0.9 a	0.9 a
Canmore CA	**	**	0.0 a	0.0 a	2.3 a	0.0 a	0.0 a	0.0 a	1.2 a	0.0 a
Cold Lake CA	11.1 a	0.0 a	5.0 a	0.0 a	3.1 a	0.3 a	0.0 a	0.0 a	3.9 a	0.2 a
Grande Prairie CA	0.0 b	5.8 c	0.1 a	1.3 a	0.1 a	0.4 a	0.0 a	0.0 c	0.1 a	0.9 a
Lethbridge CA	**	2.7 a	0.5 a	1.9 a	0.3 a	0.9 a	0.0 d	0.0 a	0.6 a	1.3 a
Medicine Hat CA	0.0 b	0.0 a	1.5 b	2.2 a	0.6 a	1.2 a	**	5.2 a	1.0 a	1.7 a
Okotoks CA	**	**	**	**	**	**	0.0 a	0.0 a	0.0 a	0.0 a
Red Deer CA	0.0 c	2.5 c	0.5 a	2.0 b	0.5 a	2.0 b	0.0 c	5.4 d	0.5 a	2.1 a
Wetaskiwin CA	**	**	0.0 a	0.0 a	0.0 a	0.0 a	0.0 a	0.0 a	0.0 a	0.0 a
Wood Buffalo CA	0.0 a	2.4 a	0.2 a	0.1 a	0.1 a	0.2 a	1.4 a	0.5 a	0.2 a	0.2 a
Alberta 10,000+	1.3 a	2.9 a	0.9 a	1.0 a	0.8 a	0.7 a	1.0 a	0.5 a	0.9 a	0.9 a

The following letter codes are used to indicate the reliability of the estimates:

a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)

** Data suppressed to protect confidentiality or data is not statistically reliable

n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click [Methodology](#) or [Data Reliability Tables Appendix](#) links for more details

1.1.2 Private Apartment Average Rents (\$) by Bedroom Type Alberta

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07
Calgary CMA	617 a	608 b	780 a	849 a	960 a	1,037 a	884 a	968 c	851 a	925 a
Edmonton CMA	561 a	628 a	666 a	729 a	808 a	877 a	902 a	1,055 a	727 a	795 a
Brooks CA	**	**	624 a	647 a	716 a	726 a	772 a	705 a	698 a	707 a
Camrose CA	415 a	**	509 a	542 a	635 a	677 a	634 a	660 a	592 a	631 a
Canmore CA	**	**	679 a	747 a	787 a	897 a	1,014 a	1,021 a	762 a	854 a
Cold Lake CA	548 a	611 a	702 a	733 a	758 a	820 a	789 a	869 a	732 a	782 a
Grande Prairie CA	688 a	770 a	826 a	940 a	952 a	1,094 a	1,068 a	1,233 a	905 a	1,039 a
Lethbridge CA	455 a	487 a	591 a	620 a	675 a	708 a	761 b	781 a	631 a	672 a
Medicine Hat CA	462 b	484 a	515 a	531 a	605 a	630 a	692 a	709 a	574 a	596 a
Okotoks CA	**	**	**	**	**	**	828 a	893 a	796 a	792 b
Red Deer CA	531 a	550 a	613 a	665 a	732 a	792 a	814 a	906 b	682 a	734 a
Wetaskiwin CA	**	**	469 a	530 a	572 a	621 a	537 a	**	539 a	594 a
Wood Buffalo CA	1,030 a	1,159 a	1,393 a	1,439 a	1,717 a	1,681 a	1,713 a	1,838 a	1,605 a	1,607 a
Alberta 10,000+	575 a	622 a	712 a	774 a	868 a	932 a	919 a	1,034 a	781 a	847 a

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):

a – Excellent ($0 \leq cv \leq 2.5$), b – Very good ($2.5 < cv \leq 5$), c – Good ($5 < cv \leq 7.5$)

d – Fair (Use with Caution) ($7.5 < cv \leq 10$)

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n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click [Methodology](#) or [Data Reliability Tables Appendix links](#) for more details

**1.1.3 Number of Private Apartment Units Vacant and Universe in April 2007
by Bedroom Type
Alberta**

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Calgary CMA	1 b	1,012	108 a	19,864	92 a	16,218	2 b	2,422	203 a	39,515
Edmonton CMA	161 b	4,477	374 a	31,454	166 a	26,206	10 a	3,103	711 a	65,240
Brooks CA	**	4	5 c	138	10 a	504	2 d	48	17 a	694
Camrose CA	**	**	6 a	323	1 a	643	2 a	22	9 a	994
Canmore CA	**	**	0 a	30	0 a	44	0 a	11	0 a	87
Cold Lake CA	0 a	29	0 a	216	1 a	333	0 a	36	1 a	614
Grande Prairie CA	7 c	124	11 a	888	6 a	1,681	0 c	154	25 a	2,847
Lethbridge CA	4 a	149	17 a	924	16 a	1,697	0 a	109	37 a	2,879
Medicine Hat CA	0 a	54	18 a	830	17 a	1,477	6 a	116	41 a	2,477
Okotoks CA	**	**	**	**	**	**	0 a	16	0 a	94
Red Deer CA	7 c	272	35 b	1,776	53 b	2,668	9 d	163	103 a	4,879
Wetaskiwin CA	**	**	0 a	226	0 a	514	0 a	11	0 a	756
Wood Buffalo CA	1 a	41	1 a	976	4 a	1,827	1 a	208	7 a	3,052
Alberta 10,000+	181 a	6,177	576 a	57,653	365 a	53,880	32 a	6,418	1,154 a	124,128

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Please click [Methodology](#) or [Data Reliability Tables Appendix links](#) for more details

1.1.4 Private Apartment Availability Rates (%)
by Bedroom Type
Alberta

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07
Calgary CMA	2.3 c	**	1.4 a	2.2 b	1.7 a	1.4 a	2.6 b	**	1.6 a	1.8 b
Edmonton CMA	2.2 a	4.0 b	1.8 a	1.6 a	1.6 a	1.9 a	1.4 a	0.7 a	1.7 a	1.8 a
Brooks CA	**	**	3.4 a	3.8 c	2.7 a	2.1 a	12.1 d	4.5 d	3.3 a	2.6 a
Camrose CA	0.0 a	**	1.8 a	1.9 a	0.5 a	0.8 a	0.0 a	9.1 a	0.9 a	1.3 a
Canmore CA	**	**	0.0 a	0.0 a	4.5 a	0.0 a	0.0 a	0.0 a	2.4 a	0.0 a
Cold Lake CA	14.8 a	3.4 a	9.6 a	2.8 a	7.0 a	4.8 a	2.8 a	8.3 a	8.0 a	4.2 a
Grande Prairie CA	0.0 b	10.8 d	0.5 a	3.2 b	0.1 a	1.2 a	0.0 a	0.0 c	0.2 a	2.2 a
Lethbridge CA	**	3.4 a	1.5 c	4.7 a	0.6 a	5.6 a	**	0.9 a	1.2 a	5.0 a
Medicine Hat CA	1.8 c	5.6 a	2.8 a	3.6 a	2.0 a	3.3 a	**	7.8 a	2.5 a	3.7 a
Okotoks CA	**	**	**	**	**	**	0.0 a	0.0 a	0.0 a	0.0 a
Red Deer CA	2.7 c	5.0 c	1.5 b	3.5 c	1.9 a	3.4 b	0.0 c	**	1.7 a	3.7 b
Wetaskiwin CA	**	**	0.0 a	0.4 a	0.0 a	0.0 a	0.0 a	0.0 a	0.0 a	0.1 a
Wood Buffalo CA	0.0 a	2.4 a	0.3 a	0.4 a	0.2 a	0.4 a	1.9 a	1.0 a	0.4 a	0.5 a
Alberta 10,000+	2.3 a	3.7 b	1.6 a	2.0 a	1.6 a	1.9 a	1.9 a	1.5 d	1.7 a	2.0 a

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METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey (RMS)** every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent, available and vacant unit data for all sampled structures. Most RMS data contained in this publication refer to privately initiated apartment structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

Data tables in this publication result from CMHC's Rental Market Survey and provide a snapshot of vacancy and availability rates, and average rents in both new and existing structures.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

October 2006 data presented in this publication is based on Statistics Canada's 2001 Census area definitions. April 2007 data presented in this publication is based on Statistics Canada's 2006 Census area definitions.

Acknowledgement

The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, and building superintendents throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

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